

**CITY OF MORGAN HILL
SPECIAL CITY COUNCIL MEETING
MINUTES – APRIL 28, 2004**

CALL TO ORDER

Mayor Kennedy called the special meeting to order at 7:02 p.m.

ROLL CALL ATTENDANCE

Present: Council Members Carr, Chang, Tate and Mayor Kennedy
Absent: Mayor Pro Tempore Sellers

DECLARATION OF POSTING OF AGENDA

City Clerk Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

City Council Action

PUBLIC COMMENT

Chairman/Mayor Kennedy opened the floor to public comments for items not appearing on this evening's agenda.

City Manager Tewes reported on perchlorate testing. He stated that the April results indicate that all City wells tested at none detect levels, using the State approved testing regiment which tests down to 4 parts per billion. He said that staff understands that there are seasonalities in terms of water usage, and that the City is on its way to installing a perchlorate treatment plant at the Nordstrom well, one of the City's largest water producers. He indicated that it is staff's belief that this well will come on line in another week or two.

Mayor Kennedy indicated that he joined the Silicon Valley Manufacturing Group along with 14 other elected officials and approximately 60 business leaders/CEOs on a Sacramento legislative trip. He stated that everyone was encouraged with the meetings held with State legislators. He said that there is a growing optimism that the Governor is having some success in bringing the two parties together to achieve bipartisan agreements. He stated that there is a growing sense that there may be a possibility of adding revenue sources and that the State not depend solely on cost cutting efforts. He said that the Silicon Valley Manufacturing Group focused on preserving funding for higher education and easing environmental (CEQA) requirements on transient-oriented development. Doing so will make it easier to approve an infill transit oriented housing development such as the one being proposed by Rocke Garcia in the downtown area. He indicated that the Governor has suspended Proposition 42 transportation funding that funds Bart. He stated that there is a measure/bill that is being circulated that would stop the diversion/shifting of funds from the Bart project and other transportation projects to the general fund. This bill will protect transit funds earmarked for Bart, Caltrain expansion, and other transit projects in Silicon Valley. Also, discussed were business investment credits and other measures that are important to businesses.

Council Member Carr said that there is a renewed bipartisan spirit in Sacramento regarding solving problems versus casting blame. He said that there is some optimism about revenue sources such as the State's amnesty program that resulted in \$1 billion. Although there was discussion about not cutting community college funding and not raising community college fees further, a question that frequently was asked is "what else should be cut?" He said that it is clear that the State cannot continue to save/fund every program with decreased funding. He said that the State will still have difficult decisions/choices to make. He felt that State legislators understand the challenges that local legislators are facing, an understanding that has not been acknowledged in past trips to Sacramento. He expressed concern that suspension of Proposition 42 funding will affect local government's ability to perform some of the much needed traffic measures. He felt that the trip to Sacramento was very positive.

Mayor Kennedy felt that there is a strong feeling/optimism that State and local government will be able to work their way through this budget situation.

Council Member Chang reported that the Santa Clara County Water District met on Monday and that they are proposing a rate increase which equates to 25% of the City's pump tax (equivalent to 5% of the City's water rates for the next ten years). She indicated that she, City staff, and Mayor Kennedy attended the meeting and requested that the Water District make an adjustment to the rate increase. She stated that another meeting/hearing will be held on May 4, 2004, 9:30 a.m. at the Water District's office located on Almaden Expressway. She requested that citizens attend this meeting, especially if they are unhappy with the proposed rate increase.

Mayor Kennedy said that he presented a report, prepared by City Manager Tewes, to the Water District Board of Directors. The idea of spreading out the cost increase over a longer period of time and the idea that it may not be necessary to shift some of the costs from agricultural users to subsidize those used by municipal and industrial suppliers was acknowledged. If this is to be done, it was suggested that the City obtain environmental concessions in return (e.g. agricultural/open space easements). It was recommended that the Water District look at cost cutting measures as has been done by cities throughout the region and the state. He did not believe that there has been much effort on the part of the Water District to cut costs. Therefore, the City has asked that they take a harder look at their costs before increasing rates. He felt that the Water District heard the City loud and clear and that the City made an impact.

No further comments were offered.

City Council Action

CONSENT CALENDAR:

Action: *On a motion by Council Member Tate and seconded by Council Member Carr, the City Council, on a 4-0 vote with Mayor Pro Tempore Sellers absent, **Approved** Consent Calendar Item 1, as follows:*

1. **RECYCLING GRANT**

Action: **Adopted** *Resolution No. 5786, Authorizing the City Manager to Request Funding.*

FUTURE COUNCIL-INITIATED AGENDA ITEMS

No items were identified.

ADJOURNMENT

There being no further business, Mayor Kennedy adjourned the meeting at 7:32 p.m.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, CITY CLERK